Rise in inflation

†*29. SHRI DHARAM PAL
SABHARWAL: DR. MURLI
MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rise in prices and inflation have shot up substantially during the last six months;

(b) if so, the details of such rise, month-wise; and

(c) the progress made and action taken to curb such rise and the action proposed to be taken in the matter?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The movement of Wholesale Price Index (WPI) (1993-94=100) for the period from August to December (2006-07) is indicated in the table below.

Table-1: WPI-based Rate of Inflation (%) 2006-07 (August-January)

Month (Average of weeks) (2006-07)	Monthly Rate of Inflation (%)
August	5.1
September	5.4
October	5.5
November	5.5
December*	5.4
January*	6.2

*Provisional

(c) The recent steps taken by Government to control inflation include:

- Reduction in retail prices of petrol by Rs. 2 per litre and diesel by Rs. 1 per litre in November 2006 and again in February 2007.
- State Trading Corporation contracting for import of 55 lakh tonnes of wheat to supplement domestic availability, of which 49.4 lakh tonnes had arrived by February 13, 2007.

†Originai notice of the question was received in Hindi.

- As against normal applicable duty of 50 percent, allowing private trade to import wheat at 5 per cent duty from June 28,2006, and at zero duty from September 9, 2006.
- Decision to release up to 4 lakh tonnes of wheat under Open Market Sale Scheme in February and March 2007.
- Ban on export of wheat from February 9, 2007.
- Reduction in customs duty on import of pulses to zero on June 8, 2006.
- Ban on export of pulses with effect from June 22, 2006.
- NAFED importing 49,300 tonnes of pulses. Under a new contract executed by NAFED in December 2006 to import 30,000 tonnes of pulses, 10,675 tonnes had been shipped by February 13, 2007.
- To contain volatility in the futures prices of wheat, sugar and pulses, Forward Markets Commission (FMC) has imposed limits on open position, reduced limits on daily fluctuations and imposed additional/special margins.
- Ban on futures trading in tur and urad from January 24, 2007.
- Reduction in import duty on palm group of oils by 10 percentage points in August 2006 and by a further 10-12.5 percentage points in January 2007. Maintaining tariff value for assessing import duty unchanged at July 2006 level.
- Ban on export of skimmed milk powder.
- Steps were taken by Reserve Bank of India to reduce liquidity in the system by increasing the cash reserve ratio and repo rates.

Outstanding tax arrears

*30.SHRI K. CHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is an outstanding tax arrears to the tune of Rs. 1,19,000 crores to be recovered from companies/individuals;